



Did you know?

Nearly 25 million adults were reported as victims of fraud in the United States, according to a government study released in 2004. This amounts to more than one in ten adult Americans being scammed during that year. Clearly consumer fraud is a very serious problem in this country - and growing at an alarming rate.

Know About Consumer Fraud

Fraudulent practices are often pursued through telemarketing, newspaper and magazine advertisements, direct mail, catalogs, and posters. Fraud now occurs on the Internet, through e-mail, and in some TV and radio advertisements.

Listed below are some of the more common consumer frauds:

- **Advance Fee Loans** - Consumers have been asked to pay a fee for a loan or credit card. The loan/credit card did not materialize.
- **Guaranteed Loans or Credit** - These offers may be for home-equity loans that do not require equity in your home or for unsecured credit cards, without regard for your credit history. After paying the required fees, you will typically be turned down for the loan because you do not meet the "qualifications," and the promised money never appears.
- **Credit Repair** - Consumers are told they can pay to have negative information removed from their credit reports or to establish a new credit record. This cannot be done and the schemes are illegal.
- **Vacation Prizes** - Often, the accommodations are poor and the time you select is not available.
- **Health and Diet** - Consumers are offered pills and herbal formulas at a substantial cost to control weight gain or cure hair loss. Be careful of ads that use mysterious phrases such as "miraculous cure," "secret formula," or "ancient ingredient."
- **Chain Letter** - Normally the consumer is asked to send a small amount of money to names listed on the letter. Often, the letter claims it is legal or approved by the government. Chain letters are almost always illegal and most people who participate lose their money.
- **Work-At-Home** - The most common are envelope stuffing or craft assembly that require the consumer to pay a fee to get started. Those who respond usually receive no supplies. Instead, they simply receive instructions on how to place the same ad.
- **Investment Opportunities** - Consumers are promised outrageously high rates of return with no risk. The promoters of fraudulent investments often operate a particular scam for a short time, spend the money they take in, and close down before they can be detected. They will often reopen, using another name, to sell another scam.
- **Buyers' Club** - A consumer is billed, usually on a credit card, for memberships that were not authorized by the owner of the card.
- **Phishing** - Someone pretending to be an official, from a bank or government agency, asks a consumer to verify or confirm personal information for a made-up reason. Some actually pose as an employee from a fraud department. Most often, legitimate inquiries of this nature will not ask for your personal information.

EDWARD LEONARD

Franklin County Treasurer

If you feel you have become a victim of any type of fraud or scheme, report it to your local police department, or to the city/state consumer protection office, and to the Federal Trade Commission. You may also wish to contact the National Fraud Information Center at 800-876-7060 or by email to the Fraud Watch home page on the Internet www.fraud.org. You should never feel embarrassed. Reporting such situations is important. Very few frauds are actually reported. The lack of exposure allows the person committing the fraudulent acts or schemes to continue on to the next person.

